



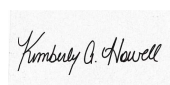
Corporation
for Public
Broadcasting

Office of the Inspector General

September 29, 2022

To: Jackie J. Livesay, Deputy General Counsel and Vice President, Compliance
Kathy Merritt, Senior Vice President, Radio, Journalism and CSG Services

From: Kimberly A. Howell, Inspector General

 Digitally signed by
Kimberly Howell
Date: 2022.09.29
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Subject: Evaluation of KDAQ-FM, Louisiana State University Board of Supervisors,
Compliance with Selected Communications Act and Transparency Requirements,
Report No. ECR2214-2214

We have completed an unannounced evaluation of compliance with selected requirements of the 2022 Corporation for Public Broadcasting (CPB) Community Service Grant (CSG) awarded to KDAQ-FM Public Radio, licensed to the Louisiana State University Board of Supervisors (LSUS), Shreveport, Louisiana. Our specific objectives were to verify compliance with twelve requirements of the Communications Act of 1934, as amended (Act) for open and closed meetings and open financial records, as well as the CSG General Provisions and Eligibility Criteria (General Provisions) for transparency as presented in Exhibit A. Background information on the station and CSG program can be found in Exhibit B.

Based on our review of the KDAQ-FM website on August 17, 2022, we found the station was compliant with six of the seven requirements reviewed. However, the station was not compliant with the Act requirement to post its Annual Financial Report (AFR) on the KDAQ-FM website. The remaining five requirements were not applicable.

Upon receipt of our Preliminary Observations on August 25, 2022, the station took immediate corrective action to post its current AFR on its website bringing it into compliance with this requirement.

In response to our draft report, KDAQ-FM management stated that they take their responsibility for transparency seriously and make a point of following CPB guidance in all of its operations. They discussed the challenges they experienced in personnel and in transitioning the station's website from Core Publisher to the Grove system by NPR Digital and their attempt to upload their current AFR to the Grove system on a timely basis was unsuccessful. Finally, the station's response addressed CPB's guidance on AFR postings that only requires the most "recent" AFR to be posted, but there is no definition of what "recent" means. They indicated that their posting was within 60 days of CPB approval of the AFR, and their prior year's AFR was already

displayed. They suggested that a 90-day posting window following CPB's approval would be a reasonable time period for posting the AFR. The station's full response to the draft report is presented in Exhibit D.

Based on KDAQ-FM's response to the draft report, we consider our recommendation resolved but open pending CPB's management decision accepting the station's corrective actions.

This report presents the conclusions of the Office of the Inspector General (OIG) and the finding does not necessarily represent CPB's final position on the issue. While we have made a recommendation that is appropriate to resolve the finding, CPB officials will make a final determination on our finding and recommendation in accordance with established CPB audit resolution procedures.

We initiated this evaluation to address station accountability as identified in our Annual Plan. We conducted our evaluation in accordance with the Council of the Inspectors General on Integrity and Efficiency *Quality Standards for Inspection and Evaluation*. Our scope and methodology are discussed in Exhibit C.

cc: Bruce M. Ramer, Chair, CPB Board of Directors

Robert Mandell, Chair, Audit and Finance Committee, CPB Board of Directors

U.S. Senate Committee on Homeland Security and Governmental Affairs

U.S. House of Representatives Committee on Oversight and Government Reform

U.S. Senate Committee on Commerce, Science and Transportation

U.S. House of Representatives Energy and Commerce Committee

U.S. Senate Committee on Appropriations

U.S. Senate Labor-HHS-Education Appropriations Subcommittee

U.S. House of Representatives Committee on Appropriations

U.S. House of Representatives Labor-HHS-Education Appropriations Subcommittee

FINDING AND RECOMMENDATION

ACT COMPLIANCE

We found that KDAQ-FM was not fully compliant with the Act requirement for open financial records because the station's most recent AFR, FY 2021, was not posted on its website. Specifically, the FY 2021 AFR was submitted to CPB on 06/27/22 and approved by CPB on 06/28/22. The station was advised by CPB that its AFR was approved on 06/28/22.

The Act requires stations to make available to the public their annual financial and audit reports and other financial information they are required to provide to CPB. CPB also requires that each CSG recipient post the following documents on its station website: ...

2. its most recent annual financial report (AFR) or annual financial summary report (FSR) (whichever is applicable).

CPB Act Compliance requirements – 3.E. The Public's Access to Financial Information (June 2021).

The station's general manager explained this was due to a transition of the station's website away from Core Publisher to the Grove system by NPR Digital in December 2021/January 2022. The new website was loaded with complications that the station has been resolving. The general manager also mentioned the loss of personnel who were responsible for compliance with the transparency requirement. Upon receipt of our Preliminary Observations on August 25, 2022, the station took immediate corrective action by posting its AFR on the KDAQ website. As a result, by posting the AFR to its website the station became compliant with this requirement.

Because the station initially was not fully compliant with open financial requirements of the Act, it may be subject to penalties under CPB's CSG Non-Compliance policy.

Recommendation:

We recommend that CPB management require KDAQ-FM to identify the corrective actions and controls it will implement to ensure future compliance with CPB's open financial records requirement to post its most recent AFR on its website in a timely manner.

KDAQ-FM Response:

In response to our draft report, KDAQ-FM management stated that they take their responsibility for transparency seriously and make a point of following CPB guidance in all of its operations. They stated that the station's most recent AFR was approved at the end of June and a couple of weeks later it was uploaded to the station's website. However, because the station's website was transitioning to the Grove system, the posting did not display as intended. Further, the particular staff person responsible for checking that something posts correctly, did not go back and check. In addition, the station asks its operations manager of IT to schedule time at the end of August to double check postings of its transparency and FCC items. They believe that the error would

have been found at that time. Once the error was identified, the station quickly investigated the issue and was able to get the AFR on its website. There was a display issue. Now that the station has figured out the display issue, the station asserts it can avoid issues for future postings and will push forward its IT review to the end of July.

Further, the station response addressed CPB guidance on AFR postings that only requires the most "recent" AFR to be posted to the station's website. However, there is no definition of what "recent" means. They said they were certainly compliant within 60 days of CPB's approval of their AFR and the previous year's AFR was already displayed. The response also cited a recent CPB training session addressing transparency where the station's manager raised the question on how "recent" was defined for future compliance. CPB officials indicated that recent was not actually defined but that smaller stations should endeavor to get the posting done as soon as they are able to, which is what the station said it actually did. The station's response suggested that a 90-day posting window following CPB's approval would be a reasonable time period for posting the AFR.

OIG Review and Comment:

Based on KDAQ-FM's response to the draft report, we consider our recommendation resolved but open pending CPB's management decision accepting the station's corrective actions to ensure future compliance.

**Summary of KDAQ-FM Website Review
as of August 17, 2022**

| Requirements | Met | Not Met | Unable to Determine |
|--|-----|---------|---------------------|
| 1) Seven-day advance notice of governing body meeting: | | | |
| a) available on website | N/A | | |
| b) available by other means | | | |
| 2) Seven-day advance notice of board committee meetings: | | | |
| a) available on website | N/A | | |
| b) available by other means | | | |
| 3) Seven-day advance notice of CAB meetings: | | | |
| a) available on website | X | | |
| b) available by other means | | | |
| 4) If closed meetings were held, was documentation prepared explaining the basis for closing meeting in accordance with the Act: | | | |
| a) available on website | N/A | | |
| b) available at central office | | | |
| 5) If closed meeting documentation was prepared, was it available within 10-days of the closed meeting | N/A | | |
| 6) Most recent Annual Financial Report or Financial Summary Report available on website | | X | |
| 7) Most recent audited financial statements or unaudited financial statements on website | X | | |
| 8) Senior/executive management information on website | X | | |
| 9) Governing body members on website | X | | |
| 10) CAB members on website | N/A | | |
| 11) Diversity Statement: | | | |
| a) available on website | | | |
| b) available at central office | X | | |
| 12) Most recent Local Service Content Report (Section 6 of the SAS): | | | |
| a) available on website | | | |
| b) available at central office | X | | |

Background

KDAQ-FM also known as Red River Radio Network is a community-supported service of Louisiana State University-Shreveport. The station is the non-commercial source for NPR News, classical music, jazz, blues and more for East Texas, Louisiana, Arkansas and parts of Mississippi. Its website states that its mission “is to provide a trusted source of information, music, and entertainment for curious and thoughtful people, in an efficient, sustainable way, strengthening the civic and cultural life of the communities we serve.” During the pandemic, the station has increased production of local programming, including informational programs, cultural spotlights, and concerts. In addition, the station has collaborated with StoryCorps on the One Small Step initiative.

CPB’s Community Service Grant Program

The Act provides that specific percentages of the appropriated funds CPB receives annually from the United States Treasury must be allocated and distributed to licensees and permittees of public TV and radio stations. CPB distributes these funds through its CSG program. Grant award amounts are based in part on the amount of Non-Federal Financial Support (revenues) claimed by all stations on their Annual Financial Reports and Financial Summary Reports (FSR) submitted to CPB.

In addition to the annual filing of a station’s AFR(s) or FSR for radio and/or television, the chief executive of the station and a licensee official annually certify to CPB the station’s compliance with Act requirements and selected General Provisions requirements in the legal agreement awarding the station CSG funds.

These certifications specifically address open and closed meetings; open financial records; Community Advisory Board; CPB Employment Statistical Report; and donor information requirements under Section IV Communications Act Compliance of the agreement. Station officials responsible for closed meetings and the CPB Employment Statistical Report requirements are identified in the grant agreement. The certification also includes website postings required under Section V. Selected General Provisions Requirements of the agreement.

Scope and Methodology

We performed an evaluation of KDAQ-FM's compliance with selected CSG provisions of the Act and grant certification requirements. Our specific objectives were to verify compliance with selected Act requirements for open and closed meetings and open financial records, as well as Radio Community Service Grants General Provisions and Eligibility Criteria for Transparency. The scope of the evaluation included reviews of the information posted on the station's website as of August 17, 2022, as well as information provided in response to our Preliminary Observations issued on August 25, 2022.

We reviewed documents supporting the station's compliance with the Act requirements to provide advance notice of public meetings; notice of closed meeting reasons; and make financial information available to the public. We also reviewed the station's website and processes to determine its compliance with CPB's transparency requirements for eligibility. We informed station management of our evaluation on August 25, 2022, and we requested additional information to support the station's compliance, including as applicable transparency information maintained at its central office for documents that was required to be made available to the public at its central office if not posted on its website.

We also reviewed CPB's Integrated Station Information System (ISIS) to determine if the evaluated information made available to the public was the most recent information submitted to CPB. In addition, we verified with station management that board and management listings posted to its website were current.

We conducted our fieldwork from August 17 through August 26, 2022 and performed our evaluation in accordance with the Council of the Inspectors General on Integrity and Efficiency *Quality Standards for Inspection and Evaluation*.

September 25, 2022

William J. Richardson III
Deputy Inspector General
Corporation for Public Broadcasting

Re: Response to Evaluation of KDAQ-FM, Louisiana State University Board of Supervisors,
Compliance with Selected Communications Act and Transparency Requirements, Draft
Report No. ECR2214- XXXX

Dear Mr. Richardson,

First, thank you for the opportunity to respond to your letter. I would like to address this response in two sections. We take our responsibility of transparency very seriously and make a point of following CPB guidance in all of our operations.

The approval of our AFR came at the end of June, and a couple weeks afterwards one of our staff uploaded the AFR to our website. However, since our website has been in a state of transition from the former Core Publisher system used by NPR Digital to the newer Grove system, the posting did not display as intended. As referenced in your letter, our transition to the new system has been difficult for such a small staff, and the one person who would have normally overseen the initial posting had passed away from Covid at the end of January. (Two other staff members, including me, also suffered from Covid but recovered slowly.) The short explanation is that the new website system requires the correct implementation of certain tags and container sections in which to display intended items. It should be an automatic process, but it is a slow and painstaking way to upload items that regularly appear on menus (as opposed to something like a news story), and one cannot immediately check to see if something posts correctly as it frequently takes hours for a newly uploaded item to display. In this case, the particular staff person didn't remember to go back and check. However, the previous AFRs going back to 2014 were all displayed.

Since we do not have a regular webmaster employed, we generally ask our operations manager or IT person to schedule some time at the end of August to upload the new CAB list (their year runs September through August) and meeting schedule and double check postings of our transparency and FCC items, so the error would have been found before the end of August. In this case, once notified by your representative, we quickly investigated the issue and were able to get the AFR visible on the website. The solution was to display it using the older "rich text" method from the older Core Publisher system. It worked and was a usable solution. And, as you found, everything else on the site was in compliance.

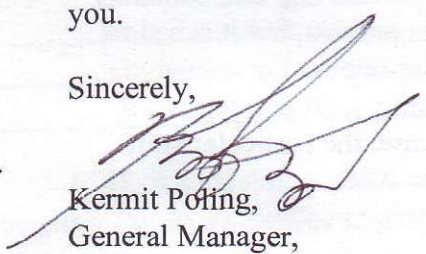
Now that we know what the display issue was, we can avoid that in future postings, not just of CPB items, but of other menu type postings. Also, we will schedule our IT person to view these at the end of July rather than August.

Finally, the new operations manager, replacing the gentleman who passed away, is now trained in the new website system. That will provide additional backup. For further viewing clarity, we have also removed the oldest financial postings so as to make it easier for someone to find the most recent information. With these cross-checking procedures in place we expect to have no further issues with our postings.

One issue I'd like to address is that the CPB guidance on AFR postings only requires the most "recent" AFR to be posted, but there is no definition of what "recent" means. We were certainly within 60 days when we received the most recent approved AFR to display, but the previous ones were already displaying. During the recent CPB training session that addressed transparency, earlier this month, I specifically asked the question of how "recent" was defined so as to avoid any future issue. Kate Arno stated that the amount of time required to be recent was not actually defined by the CPB and that smaller stations, such as ours, should simply endeavor to get postings done as soon as we're able. This we actually did, but I would respectfully suggest that perhaps the CPB should more fully define "recent" within a specific time period. Since the AFR was approved at the end of June, it doesn't seem unreasonable to allow 90 days from such approval as a window to accomplish this. In our case, our regular website review would still have been well within that window of time. Our intent was certainly always to be in compliance.

Once again, I would like to thank you for the opportunity to respond to your letter, to address and clarify our actions taken, and, perhaps, to consider my suggestion above. If you have any additional questions or concerns, you may contact me via email at kpoling@lsus.edu or by phone at 318-798-0102. We greatly appreciate the support of the CPB and value our relationship with you.

Sincerely,



Kermit Poling,
General Manager,
Red River Radio Network